

**Fill in this information to identify the case:**Debtor Name: West Realm Shires Financial Services Inc.United States Bankruptcy Court for the \_\_\_\_\_ District of DelawareCase Number: 22-11072

Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

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This is the Periodic Report as of 06/30/2023 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

West Realm Shires Financial Services Inc. holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
FTX Capital Markets LLC	100%	

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

*Exhibit A* contains the most recently available: balance sheet, statement of income (*loss*), and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

*Exhibit B* describes the Controlled Non-Debtor Entity's business operations.

*Exhibit C* describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

*Exhibit D* describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

*Exhibit E* describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

The undersigned, having reviewed the Entity Reports for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this Periodic Report and the attached Entity Reports are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

**For non-individual Debtors:**

Mary Cilia  
Mary Cilia (Sep 29, 2023 15:58 CDT)

Signature of Authorized individual

Mary Cilia

Printed name of Authorized Individual

Date 09 / 29 / 2023

MM / DD / YYYY

**For individual Debtors:**

Signature of Debtor 1

Signature of Debtor 2

Printed name of Debtor 1

Printed name of Debtor 2

Date \_\_\_\_\_

Date \_\_\_\_\_

MM / DD / YYYY

MM / DD / YYYY

CASE NAME: West Realm Shires Financial Services Inc.CASE NUMBER: 22-11072**GENERAL NOTES**

This periodic report (the "Periodic Report") has been prepared solely for the purpose of complying with Rule 2015.3 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). This Periodic Report contains certain financial information for a non-debtor entity of a non-publicly traded corporation in which an estate of a Debtor (as defined below) controls or owns at least a twenty percent (20%) interest (a "Controlled Non-Debtor Entity"). The information provided in this Periodic Report has been provided by the Debtors' management.

**Description of these Chapter 11 Cases**

On November 11 and November 14, 2022 (as applicable, the "Petition Date"), FTX Trading Ltd. and its affiliated debtors (each a "Debtor" and, collectively, the "Debtors")<sup>1</sup> each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases (the "Chapter 11 Cases") are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Delaware. On December 15, 2022, the United States Trustee appointed an official committee of unsecured creditors in the Chapter 11 Cases pursuant to section 1102(a)(1) of the Bankruptcy Code. Additional information about these Chapter 11 Cases, court filings, and claims information is available at the Debtors' restructuring website: <https://restructuring.ra.kroll.com/FTX>.

**Financial Statements**

The financial information contained herein is unaudited, limited in scope, and as such, has not been subject to procedures that typically would be applied to financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are not intended to reconcile fully with any financial statements prepared under U.S. GAAP. The Controlled Non-Debtor Entity maintains its books and records in accordance with U.S. GAAP and the information furnished in this Periodic Report utilizes the Controlled Non-Debtor Entity's normal accrual method of accounting.

For financial reporting purposes, the Debtors prepare consolidated financial statements at Debtor West Realm Shires Financial Services Inc. (Case Number 22-11072), which include information for FTX Capital Markets LLC. This Periodic Report only contains financial information of the Controlled Non-Debtor Entity. The financial statements presented in this Periodic Report are derived from the books and records prepared and maintained by the respective Controlled Non-Debtor Entity as provided to the Debtors. The presentation in this Periodic Report does not include all the information and footnotes required by U.S. GAAP for complete financial statements. The financial statements and supplemental information contained herein represent condensed information, are limited in scope, and cover a

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<sup>1</sup> A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/FTX>.

**CASE NAME:** West Realm Shires Financial Services Inc.**CASE NUMBER:** 22-11072

limited time period. Unless otherwise noted, the Periodic Report generally reflects the Controlled Non-Debtor Entity's books and records and financial activity occurring during the time period covered by this Periodic Report. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the time period covered by this Periodic Report.

Although management made reasonable efforts to ensure that the financial information is accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to the information. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update this Periodic Report. Nothing in this Periodic Report shall constitute a waiver of any rights of the Debtors, including the right to amend the information contained herein. The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable nonbankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors, the Controlled Non-Debtor Entity, and the Debtors' advisors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

This Periodic Report should not be relied upon by any persons for information relating to current or future financial condition, events, or performance of the Controlled Non-Debtor Entity or their affiliates, as the results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year, and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements in the future. Further, this Periodic Report is limited in scope, covers a limited time period, and has been prepared solely for purposes of fulfilling the requirements of Bankruptcy Rule 2015.3. Accordingly, the following notes, statements, and limitations should be referred to, and referenced in connection with, any review of this Periodic Report.

### **Income Taxes**

Any income tax amounts or disclosures presented in this Periodic Report are derived from the books and records prepared and maintained by the respective Controlled Non-Debtor Entity as provided to the Debtors. No separate analysis regarding the realizability of deferred tax assets or the need for uncertain tax position reserves has been performed by the Debtors. The Non-Debtor Entity remains subject to examination by taxing authorities for any open audit periods, which could further impact the results included in this Periodic Report.

### **Intercompany Transactions**

Prior to the Petition Date and continuing thereafter, but only as approved by the Court, the Debtors routinely engaged, and continue to engage, in intercompany transactions with the Controlled Non-Debtor Entity. Intercompany transactions have not been eliminated in the Balance Sheet and Statement of Income (Loss) contained herein, as these eliminations are only performed in consolidation.

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**Current Values**

The Debtors do not maintain fair market value or other bases of valuation for the Controlled Non-Debtor Entity, which may differ substantially from the net book value of these entities.

**Currency**

The amounts herein are presented in United States dollars, unless otherwise stated.

**Reservation of Rights**

Nothing contained in this Periodic Report shall constitute a waiver or admission by the Debtors in any respect, nor shall this Periodic Report or any information set forth herein waive or release any of the Debtors' rights or admissions with respect to these chapter 11 cases, or their estates, including with respect to, among other things, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. The Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including, without limitation, with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

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**Exhibit A: Financial Statements for Controlled Non-Debtor Entities**

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**Name of Non-Debtor Entity**

FTX Capital Markets LLC

**Interest of the Estate**

100%

CASE NAME: West Realm Shires Financial Services Inc.CASE NUMBER: 22-11072**Exhibit A-1: Balance Sheet of Controlled Non-Debtor Entities as of 06/30/2023****Official Form 426**United States Bankruptcy Court  
District of Delaware**Exhibit A-1: Balance Sheet of Non-Debtors**

In US \$ Unless Otherwise Indicated	As of December 31, 2022	As of June 30, 2023
	FTX Capital Markets LLC	FTX Capital Markets LLC
<b>Assets</b>		
Cash and cash equivalents	\$ 409,697	\$ 163,354
Clearing deposit account	250,000	250,000
Prepaid expenses, deposits	22,997	-
Intercompany receivable	113,900	113,900
<b>Total assets</b>	<b>796,594</b>	<b>527,254</b>
<b>Liabilities and Stockholders' Equity</b>		
Intercompany payables	339,283	298,283
Accounts payable	15,028	-
Accrued expenses	20,250	-
<b>Total Liabilities</b>	<b>374,560</b>	<b>298,283</b>
Additional Paid in Capital	1,075,000	1,075,000
Members Equity	10,039	(652,967)
Net Income	(663,006)	(193,062)
<b>Total Stockholders' Equity</b>	<b>422,033</b>	<b>228,972</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 796,594</b>	<b>\$ 527,254</b>

CASE NAME: West Realm Shires Financial Services Inc.CASE NUMBER: 22-11072**Exhibit A-2: Statement of Income (Loss) for controlled Non-Debtor Entities for the period ended 06/30/2023****Official Form 426**United States Bankruptcy Court  
District of Delaware**Exhibit A-2: Statement of Income (Loss)**

<b>In US \$ Unless Otherwise Indicated</b>	<b>As of December 31, 2022</b>	<b>As of June 30, 2023</b>
	<b>FTX Capital Markets LLC</b>	<b>FTX Capital Markets LLC</b>
<b>Revenues:</b>		
Commission Income - Equities	\$ 1,051	\$ -
Interest Income	-	255
<b>Net Revenue</b>	<b>1,051</b>	<b>255</b>
<b>Expenses:</b>		
Salaries Expense	225,500	-
Regulatory Fees & Dues	16,146	-
Rent Expense	3,931	1,521
Office Expense	6,293	16,502
Insurance Expense	2,286	519
Professional fees and services	340,313	162,091
Dues and Subscriptions	68,791	1,078
Bank Service Charges	626	-
Clearing and execution charges	1	-
Exchange Fees	171	-
Retained Legal Expense	-	11,606
<b>Total Expenses</b>	<b>664,058</b>	<b>193,317</b>
<b>Net Income (Loss) Before Taxes</b>	<b>(663,006)</b>	<b>(193,062)</b>
Income Tax Benefit (Loss)	-	-
<b>Net Loss</b>	<b>\$ (663,006)</b>	<b>\$ (193,062)</b>



CASE NAME: West Realm Shires Financial Services Inc.CASE NUMBER: 22-11072**Exhibit A-3: Statement of Cash Flows for Controlled Non-Debtor Entities for the period ended 06/30/2023****Official Form 426**United States Bankruptcy Court  
District of Delaware**Exhibit A-3: Statement of Cash Flows**

In US \$ Unless Otherwise Indicated	As of December 31, 2022	As of June 30, 2023
	FTX Capital Markets LLC	FTX Capital Markets LLC
<b>Cash Flows from Operating Activities</b>		
Net income (loss)	\$ (663,006)	\$ (193,062)
Depreciation and Amortization	-	-
(Increase) / Decrease in Current Assets	(267,410)	22,996
Increase / (Decrease) in Current Liabilities	36,799	(35,278)
Net Intercompany Transfers	225,382	(41,000)
Net cash flows used by operating activities	(668,234)	(246,343)
<b>Cash Flows from Investing Activities</b>		
Purchase of Furniture and Equipment	-	-
Cash flows used in investing activities	-	-
<b>Cash Flows from Financing Activities</b>		
Additional Paid in Capital	1,000,000	-
Net cash flows from financing activities	1,000,000	-
Net Increase (Decrease) in cash and cash equivalents	331,766	(246,343)
Net cash and cash equivalents, beginning of year	77,931	409,697
Cash and cash equivalents, current	\$ 409,697	\$ 163,354

CASE NAME: West Realm Shires Financial Services Inc.CASE NUMBER: 22-11072**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit) for Controlled Non-Debtor Entities for the period ended 06/30/2023****Official Form 426**

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**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit)**

MEMBER'S EQUITY, JANUARY 1, 2021	\$ 85,039
Member's contributions	1,000,000
Net loss	<u>(663,006)</u>
MEMBERS' EQUITY, DECEMBER 31, 2022	\$ 422,033
MEMBERS' EQUITY, DECEMBER 31, 2022	\$ 422,033
Member's Contributions	-
Net loss	<u>(193,062)</u>
MEMBERS' EQUITY, June 30, 2023	\$ 228,972

CASE NAME: West Realm Shires Financial Services Inc.CASE NUMBER: 22-11072**Exhibit B: Description of Operations for Controlled Non-Debtor Entities**

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<u>Non-Debtor Entity</u>	<u>Description</u>
FTX Capital Markets LLC	Previously registered as a Broker-Dealer with the Securities and Exchange Commission and the Financial Industry Regulatory Authority. Registration status terminated February 4, 2023.

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**Exhibit C: Description of Intercompany Claims**

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FTX Capital Markets LLC has a clearing deposit of \$250k with non-Debtor subsidiary Embed Clearing LLC and an intercompany payable of \$113.8k due to non-Debtor subsidiary Embed Clearing LLC for withdrawals made while Debtor West Realm Shires Services Inc. accounts were inaccessible before the Bankruptcy Court authorized the Debtors use of bank accounts for Debtors and non-Debtors (D.I. 145). FTX Capital Markets LLC has an offsetting intercompany receivable of \$113.9k due from Debtor West Realm Shires Services Inc. related to Embed Clearing LLC customer account withdrawals funded by FTX Capital Markets LLC. Additionally, FTX Capital Markets LLC has an intercompany payable of \$184.5k due to Debtor West Realm Shires Financial Services Inc. related to the payment of compensation expenses for FTX Capital Markets LLC.

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**Exhibit D: Allocation of Tax Liabilities and Assets**

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Debtor West Realm Shires Financial Services Inc. does not conduct an allocation of tax assets or liabilities between its subsidiary entities. Since the acquisition of FTX Capital Markets LLC by Debtor West Realm Shires Financials Services Inc. in 2021, there has not been any allocation of tax attributes to FTX Capital Markets LLC from Debtor West Realm Shires Financial Services Inc. or its subsidiary entities.

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**Exhibit E - Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor**

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As of the balance sheet date of the financials presented in Exhibit A, no payments of professional fees were paid by FTX Capital Markets LLC that would have otherwise been payable by a Debtor. Post-petition, FTX Capital Markets incurred an intercompany payable of \$113.8k due to non-Debtor subsidiary Embed Clearing LLC for withdrawals made while Debtor West Realm Shires Services Inc. accounts were inaccessible before the Bankruptcy Court authorized the Debtors use of bank accounts for Debtors and non-Debtors (D.I. 145). FTX Capital Markets LLC has an offsetting intercompany receivable of \$113.9k due from Debtor West Realm Shires Services Inc. related to Embed Clearing LLC customer account withdrawals funded by FTX Capital Markets LLC.